

## EFPA Italy Foundation

### *Presentation of the organisation*

#### **1. Who we are – EFPA Europe**

**EFPA Italy** is an affiliate of the **European Financial Planning Association™**, also abbreviated as **EFPA Europe**, an international non-profit organisation (AISBL) based in Brussels. It is the first European association specifically created to promote **professional development** in the European financial services industry.

Founded in **2000** in Rotterdam, **EFPA Europe** remained a *Stichting* (= Foundation) incorporated under Dutch law until 2014.

Its **mission** is to set, promote and implement high-quality **common standards** for the financial advisory and planning industry throughout Europe in the interest of the profession, the market, and clients.

**EFPA** achieves its **mission** through a rigorous **certification** process for the **EFA** - European Financial Advisor™ and **EFP** - European Financial Planner qualifications, based on the twin values of **competency** and professional **ethics** as well as the principle of **continuing education**.

**EFPA Europe** is governed by the **Board**, a political-administrative body consisting of one representative from each national affiliate, and the **SQC (Standard and Qualifications Committee)**, which is responsible for defining, among other things, curricula and exam topics as well as the characteristics of the tests.

#### **2. Who we are – EFPA Italy**

Founded in January **2002** as a **Foundation** at the initiative of ANASF (*Associazione Nazionale Promotori Finanziari* - Italian Association of Financial Advisors), **EFPA Italy** promotes European quality educational standards in Italy, certifies **courses**, and organises EFA, EFP, and DEFS **exams**.

**EFPA Italy** aims to implement and harmonise educational offerings for the different professionals working in the financial industry; promote the provision of educational programmes with rigorous qualitative *standards* through the certification of curricula and teaching practices at the industry's leading education providers; cooperate with financial institutions to promote certification among financial professionals, so as to enhance the professional level of their offerings; and disseminate the culture of constant and continuous professional development.

**EFPA Italy** purports to protect savers on the one hand, and financial service professionals on the other, by upholding the highest professional, educational and ethical standards in personal financial planning and personal financial advising.

**EFPA Italy's Certifications** are awarded to financial planning Professionals that pass a challenging exam covering economic and financial topics with varying levels of difficulty. To prepare for it, candidates can access curricula based on common European standards.

**EFPA Italy** certifies quality educational programmes—provided by universities and private education providers—for professionals preparing for the **EFPA European Financial Planner™**, **EFPA European Financial Advisor™**, and DEFS Diploma in European Financial Services exams, as well as for maintaining these certifications over time.

### 3. **EFPA Italy Certification Levels**

#### **DIPLOMA IN EUROPEAN FINANCIAL SERVICES - DEFS**

- National qualification
- Preparation on the **exam topics** broken down into **7 modules** - **See Appendix (1)**
- Mandatory **training course: 90 hours** over **12 in-class days**
- **Exam type:**  
**test** consisting of **40 multiple-choice questions**, broken down into:
  - **30 Knowledge** questions
  - **8 Analysis** questions
  - **2 Application** questions
- Test time: **75 minutes**
- **Composition of the examining board:**
  - **1 examining officer** appointed by the **Education Provider**;
  - **1 examiner**, selected from among **EFA Certified Professionals**, appointed by and representing EFPA Italy;
  - **An “X” number of aides** appointed by the **Education Provider**, based on the number of candidates taking the exam.

#### **DIPLOMA IN EUROPEAN FINANCIAL SERVICES – DEFS**

##### ***For Chartered Financial Advisors***

*(Exam procedure effective **from the end of November 2015**)*

- National qualification
- Preparation on the **exam topics** broken down into **3 modules** - **see Appendix (2)**
- Mandatory **training course: 24 hours** over **3 in-class days**
- **Exam type:**  
**test** consisting of **20 multiple-choice questions**, broken down into:
  - **6 Knowledge** questions
  - **10 Analysis** questions
  - **4 Application** questions
- Test time: **50 minutes**

**Composition of the examining board** to be defined.

## **EUROPEAN FINANCIAL ADVISOR - EFA**

- Preparation on the **exam topics** broken down into **10 modules** – see **Appendix (3)** – and corresponding to the exam topics set at European level by the **SQC** (Standard and Qualifications Committee) – see **Appendix (5)**

- **Training course** (for those without a degree in economics and finance):

**150 hours** over **20 in-class days**

- **Exam type:**

**Test** consisting of **50 questions**, broken down into:

- **30 Knowledge** questions

- **15 Analysis** questions

- **5 Application** questions

- Test time: **130 minutes**

- **Composition of the examining board:**

- **1 EFPA Certified Professional** appointed by ANASF as Chairman of the Board;
- **1 member of EFPA Italy's Scientific Committee**, appointed by the same committee as examiner;
- **1 representative of the test provider** as examiner;
- **EFPA Italy's General Secretary**, responsible for ensuring the exam is conducted fairly.

## **EUROPEAN FINANCIAL PLANNER – EFP**

- Preparation on the **exam topics** broken down into **14 modules** – see **Appendix (4)** – corresponding to the exam topics set at European level by the **SQC** (Standard and Qualifications Committee) – see **Appendix (5)**
- **Training course: 300 hours** over **40 in-class days** (for those without EFA certification or a degree in economics and finance)
- **Training course: 150 hours** from EFA to EFP (for professionals already EFA certified) over **20 in-class days**
- **Exam type - Test I:**  
**test** consisting of **70 questions**, broken down into:
  - **30 Knowledge** questions
  - **30 Analysis** questions
  - **10 Application** questions
- Test time: **200 minutes**
- **Composition of the examining board:**
  - **1 EFPA Certified Professional** appointed by ANASF as Chairman of the Board;
  - **1 member of EFPA Italy's Scientific Committee**, appointed by the same committee as examiner;
  - **1 representative of the test provider** as examiner;
  - **EFPA Italy's General Secretary**, responsible for ensuring the exam is conducted fairly.
- **Exam type - Test II** (*only for those who passed Test I*)
  - developing a case study;
  - test time: 230 minutes
- **Composition of the examining board:**
  - **1 EFPA Certified Professional** appointed by ANASF as Chairman of the Board;
  - **The Professor responsible for the preparation of the case study** or, alternatively, one member of EFPA Italy's Scientific Committee, appointed by the same committee as examiner;
  - **1 representative of the test provider** as examiner;
  - **EFPA Italy's General Secretary**, responsible for ensuring the exam is conducted fairly.

### Appendix (1)

#### DEFS Curriculum EXAM TOPICS

Module I (4 days)	<b>Investment and Investment Risk</b> <ul style="list-style-type: none"> <li>- Financial assets (C, A, AP)</li> <li>- Risk vs. return (C, AP)</li> </ul>	<b>33.3%</b>
Module II (2 days)	<b>Funds</b> <ul style="list-style-type: none"> <li>- Mutual funds overview (C, AP)</li> <li>- Mutual funds and their investment objectives (A)</li> <li>- Analysis and Selection of funds (C, AP)</li> </ul>	<b>16.7%</b>
Module III (1.5 days)	<b>Portfolio Management</b> <ul style="list-style-type: none"> <li>- Risk and return on Portfolio Level(C, AP)</li> <li>- Portfolio theory (A, AP)</li> <li>- Performance Measurement (A, AP)</li> </ul>	<b>12.5%</b>
Module IV (1.5 days)	<b>Insurance</b> <ul style="list-style-type: none"> <li>- Principles of insurance (C)</li> <li>- Fundamentals of Risk Management (C, A, AP)</li> <li>- Life insurance (C ,A)</li> <li>- Liability insurance (C ,A)</li> <li>- Health insurance (C ,A)</li> </ul>	<b>12.5%</b>
Module V (1 day)	<b>Pensions and Retirement Planning</b> <ul style="list-style-type: none"> <li>- Types of retirement plans (C, A)</li> <li>- Retirement income and needs analysis (C, A)</li> <li>- Distribution options and considerations (C, A)</li> <li>- Pensions (AP)</li> <li>- Analysis of key factors affecting plan selection (C, AP)</li> </ul>	<b>8.3%</b>
Module VI (1 day)	<b>Tax</b> <ul style="list-style-type: none"> <li>- Taxation of investments (C, A, AP)</li> <li>- Taxation of mutual funds (C, AP)</li> </ul>	<b>8.3%</b>
Module VI (1 day)	<b>Laws, Regulations, Ethics and National Law</b> <ul style="list-style-type: none"> <li>- Regulatory frameworks of investment products in Europe (C)</li> <li>- EU Directives (A)</li> </ul>	<b>8.3%</b>

**Appendix (2)**

**DEFS Curriculum EXAM TOPICS – for Chartered Financial Advisors**

Module I (10 hours)	<b>Investment and Investment Risk (Cognitive levels: KNOWLEDGE, ANALYSIS, APPLICATION)</b>  <b>- Bond analysis</b> <ul style="list-style-type: none"> <li>Expected returns on bonds and their determination</li> <li>Credit risk and interest rate risk</li> <li>Bond duration and modified duration and how to use them</li> </ul>	<b>40%</b>
Module II (7 hours)	<b>Funds (Cognitive levels: KNOWLEDGE, ANALYSIS, APPLICATION)</b>  <ul style="list-style-type: none"> <li>- Fund/UCITS performance measurement (cumulative performance, arithmetic average performance, annualised geometric average performance, monthly performance, etc...)</li> <li>- Determining and interpreting risk indices for funds/UCITSs (absolute volatility, tracking error volatility, and beta)</li> <li>- Determining and interpreting risk adjusted performance indices for funds/UCITSs (Sharpe index and information ratios)</li> </ul>	<b>30%</b>
Module III (7 hours)	<b>Portfolio Management (Cognitive levels: KNOWLEDGE, ANALYSIS, APPLICATION)</b>  <ul style="list-style-type: none"> <li>- Describing the determinants and calculating the returns on a two-asset portfolio</li> <li>- Describing the determinants and calculating the risk (volatility) of a two-asset portfolio or markets with different assumed correlations between them</li> <li>- Interpreting and determining the correlation between two financial assets or markets</li> <li>- Measuring the performance of a portfolio considering or eliminating the impact of inflows and outflows: Time Weighted Rate of Return and Money Weighted Rate of Return</li> </ul>	<b>30%</b>

Appendix (3)

**EFA Curriculum EXAM TOPICS**

<b>Module I</b>	<b>1. Investment and Investment Risk</b> 1.1 Understand the macro-economic factors that affect investment risk-return profiles (C, A) 1.2 Investment Principles(A, AP) 1.3 Financial assets (C, A, AP) 1.4 Risk vs. Return (C, A, AP) 1.5 Fundamentals of Derivatives (C, AP)	<b>25%</b>
<b>Module II</b>	<b>2. Funds</b> 2.1 Mutual funds overview(C, AP) 2.2 Mutual funds and their investment objectives (C, A) 2.3 Analysis and Selection of Funds(C, A, AP) 2.4 Hedge funds (C, A)	<b>10%</b>
<b>Module III</b>	<b>3. Portfolio Management</b> 3.1 Risk and Return on Portfolio Level (C, AP) 3.2 Efficient Capital Markets (C) 3.3 Portfolio Theory (C, A, AP) 3.4 Portfolio construction (C, A, AP) 3.5 Performance measurement (C, A, AP) 3.6 Performance information to Clients (C, AP)	<b>15%</b>
<b>Module IV</b>	<b>4. Insurance</b> 4.1 Principles of Insurance (C) 4.2 Fundamentals of Risk Management (C, A, AP) 4.3 Legal and Financial Characteristics of Insurance (C) 4.4 Identification of life, health, homeowner and other liability risk exposure (C, A, AP) 4.5 Life insurance (C ,A) 4.6 Liability insurance (C ,A) 4.7 Health insurance (C ,A) 4.8 Insurance Regulation (C)	<b>7.5%</b>
<b>Module V</b>	<b>5. Pensions and Retirement Planning</b> 5.1 Types of Retirement Plans (C, A) 5.2 Retirement income and needs analysis (C, A) 5.3 Distribution options and considerations (C, A) 5.4 Retirement planning strategies and considerations (C, A) 5.5 Employee Benefits (A) 5.6 Pensions (AP) 5.7 Analysis of key factors affecting plan selection (C, AP) 5.8 Government Sponsored Plans (A) 5.9 Annuities (C, AP)	<b>7.5%</b>
<b>Module VI</b>	<b>6. Real Estate</b> 6.1 Property purchasing, key elements from bid process to purchase agreement (C) 6.2 Client types and matching client need to mortgage products (C, A) 6.3 Regulation and laws concerning the provision of advice (C)	<b>5%</b>

<b>Module VII</b>	<b>7. Credit/Financing</b> 7.1 Credit risks (C) 7.2 Credit types/methods(C, A) 7.3 Residential building financing (C) 7.4 Debt conversion (C) 7.5 Collateral (C)	<b>5%</b>
<b>Module VIII</b>	<b>8. Tax</b> 8.1 Overview on National and International tax system (C, A) 8.2 Income tax (C) 8.3 Inheritance tax (C) 8.4 Property tax (C) 8.5 Taxation of Insurance Products (C, A) 8.6 Taxation of Investments (C, A, AP) 8.7 Taxation of mutual funds (C, A, AP) 8.8 Other tax issues (C, A)	<b>10%</b>
<b>Module IX</b>	<b>9. Laws, Regulations, Ethics and National Law</b> 9.1 Professional liability (C, A) 9.2 Ethics and Consumer Protection (C, A) 9.3 EFPA Code of Ethics (AP) 9.4 Contract law (C) 9.5 Regulatory Frameworks of Investment Products in Europe (C) 9.6 EU Directives (A)	<b>7.5%</b>
<b>Module X</b>	<b>10. Assessing Clients Needs and Developing a Financial Solution</b> 10.1 Establishing the client–advisor relationship (C, AP) 10.2 Gathering client data and determining goals and expectations (C, AP) 10.3 Determining the client's financial status (A, AP) 10.4 Risk management needs and issues (C, A) 10.5 Income taxation needs and issues (C, A) 10.6 Investment needs and issues (A) 10.7 Retirement needs and issues (C, A, AP) 10.8 Employee benefits needs and issues (A) 10.9 Estate planning needs and issues (C, AP) 10.10 Developing and presenting a financial solution based on the client's needs/life-cycle (C, AP) 10.11 Implementing financial solutions (C, AP) 10.12 Monitoring financial solutions (C, AP)	<b>7.5%</b>



**Appendix (4)**

**EFP Programme EXAMINATION MATERIALS**

<b>Module XI</b>  <b>(from 1 - 9 of the EFA)</b>	<b>11. Deepening/Enlargement of EFA modules 1 – 9</b>  11.1 Deepening/Enlargement of: Investment And Investment Risk (C, A, AP) 11.1.1 Fixed income (C, A, AP) 11.1.2 Derivatives (A, AP) 11.1.3 Commodities (C, A, AP) 11.1.4 Private equity (C, A, AP) 11.2 Deepening/Enlargement of: Funds (C, A) 11.3 Deepening/Enlargement of: Portfolio Management (C, A, AP) 11.4 Deepening/Enlargement of: Insurance (C, A) 11.5 Deepening/Enlargement of: Pensions and Retirement Planning (AP) 11.6 Deepening/Enlargement of: Real Estate (C, A) 11.7 Deepening/Enlargement of: Credit/financing (C, A) 11.8 Deepening/Enlargement of: Tax (C) 11.9 Deepening/Enlargement of: Laws, Regulations, Ethics and National Law (C, A, AP)	<b>40%</b>
<b>Module XII</b>	<b>12. Estate Planning</b>  12.1 Estate Planning Basics concerning laws and taxes (C) 12.2 General knowledge about Estate Planning (C, AP) 12.3 Types of Estate Planning Documents (C, AP) 12.4 Property and Property Interests (C) 12.5 Methods of Estate Transfer(A) 12.6 Gift and Succession/Inheritance Taxation (C) 12.7 Estate Tax Deductions (C) 12.8 Calculation of Estate Tax Liability (C) 12.9 Trusts and Taxation of Trusts (C) 12.10 Life Insurance for Estate Planning (C)	<b>15%</b>
<b>Module XIII</b>	<b>13. Financial Planning Process</b>  13.1 Establishing the client – planner relationship (C, AP) 13.2 Gathering client data and determining goals and expectations (C, AP) 13.3 Developing a financial plan (C, AP) 13.4 Presenting and illustrating the financial plan (AP) 13.5 Implementing the financial plan (C, AP) 13.6 Monitoring the financial plan (C, AP)	<b>20%</b>
<b>Module XIV</b>	<b>14. Financial Planning for Business Owners</b>  14.1 Family governance and communications (A, AP) 14.2 Family wealth management (A) 14.3 Family Office – FO – (C, A, AP) 14.4 Family Protocol (A, AP) 14.5 Financial Statement Analysis (C, A, AP) 14.6 Company valuation (C, AP)	<b>15%</b>
<b>Module XV</b>	<b>15. International Aspects of Financial Planning (Tax &amp; Law)</b> 15.1 International Private Direct Taxes (C, AP) 15.2 International Private Law (C, A)	<b>10%</b>

Appendix (5)

**CORE COMPETENCE FRAMEWORK WITH LEARNING OUTCOMES FOR THE EFA  
EUROPEAN FINANCIAL ADVISOR and EFP EUROPEAN FINANCIAL PLANNER**

MODULE	TOPIC	WEIGHTING	CERTIFICATE / STANDARD
Module 1	Investments and Investment Risks	20%	
Module 2	Funds	10%	
Module 3	Portfolio Management	15%	
Module 4	Insurance	10%	
Module 5	Pensions and Retirement Planning	5%	
Module 6	Real Estate	5%	
Module 7	Credit / Financing	5%	
Module 8	Tax	10%	
Module 9	Laws, Regulations, Ethics and National Law	10%	
Module 10	Assessing Clients Needs and Developing a Financial Solution	10%	
Subtotal 1		100%	EFA / (EFP) - EQF 5
Module 11	Deepening / Enlargement of modules 1 - 9 (raising to EQF level 6)	30%	
Module 12	Estate Planning	15%	
Module 13	Financial Planning Process	20%	
Module 14	Financial Planning for Business Owners	20%	
Module 15	International Aspects of Financial Planning (Tax & Law)	15%	
Subtotal 2		100%	EFP (EQF 6)